

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

ANNUAL REPORT

Report 1997 - 98



THE WATERBASE LIMITED



THE WATERBASE LIMITED

ANNUAL REPORT 1997-98

BOARD OF DIRECTORS

VIKRAM M THAPAR
CHAIRMAN

ANIL KUMAR BHANDARI

ANIL THADANI

J B DADACHANJI

JYOTHI THAPAR

PRADEEP DINODIA

RAM KUMAR MEHRA
Nominee of ICICI

TAPAN GANGULI
Nominee of IFCI

AUDITORS

MITRA KUNDU & BASU
CHARTERED ACCOUNTANTS
1 ACHARYA J C BOSE ROAD
CALCUTTA - 700 020.

REGISTERED OFFICE & WORKS

ANANTHAPURAM VILLAGE
T P GUDUR MANDAL
NELLORE - 524 344
ANDHRA PRADESH

SHARE TRANSFER AGENTS

DATA SOFTWARE RESEARCH CO. LTD.
SREE SOVEREIGN COMPLEX
22 4TH CROSS STREET
TRUSTPURAM KODAMBAKKAM
CHENNAI 600 024

BANKERS

STATE BANK OF INDIA OVERSEAS BRANCH CHENNAI 600 001
CANARA BANK OVERSEAS BRANCH CHENNAI 600 002
UNION BANK OF INDIA OVERSEAS BRANCH CHENNAI 600 017
STATE BANK OF HYDERABAD INDUSTRIAL FINANCE BRANCH CHENNAI 600 086

Members are requested to bring their copies of Annual Report to the meeting as the practice of distributing the same in the meeting has been dispensed with.
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THE WATERBASE LIMITED

NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the Company will be held on Wednesday, the 23rd September 1998 at 3.00 p.m at the Registered Office of the Company at Ananthapuram Village, T P Gudur Mandal, Nellore - 524 344 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts of the Company for the year ended 31st March 1998 together with Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Shri Vikram M Thapar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Pradeep Dinodia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Anil Kumar Bhandari, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration. M/s Mitra Kundu & Basu, Chartered Accountants, retire and are eligible for re-appointment.

Registered Office:
Ananthapuram Village
Nellore - 524 344
29th July 1998

By Order of the Board

C B HARI
Company Secretary

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Book of the company will remain closed from 16th September 1998 to 30th September 1998 (both days inclusive).



REPORT OF THE DIRECTORS TO THE MEMBERS

Your Directors present their Eleventh Annual Report together with the Audited Accounts for the Financial Year ended 31st March 1998.

FINANCIAL RESULTS

Rs. in Crores

	Current Year	Previous Year
Gross Sales	41.52	43.49
Operating Profit before Interest and Depreciation	4.14	3.71
Less: Interest	5.03	6.02
Depreciation	2.73	2.71
Net Loss for the year	3.62	5.02

OPERATIONS

The year under review was a period of consolidation for the Company. Due to the continued uncertainty of the Judicial Order, the Company adopted a cautious approach resulting in lower net sales. However, through improved operating efficiencies and continued cost reduction measures, the operating profit has shown improvement over the earlier year.

The area under farming in Tamil Nadu and Orissa has been greatly affected due to the continued uncertainty of the Judicial Order. However, the other State Governments like Andhra Pradesh have provided the required support, which has resulted in increased area under shrimp farming. It is expected that there will be atleast 25% increase in the area under farming which should have a positive impact on the future operations of your Company.

FARMING

Based on the experience gained by the Industry and the Company in dealing with the disease and the clarifications received on the legal position of the Judicial Order, farming operations have recommenced under an arrangement. The progress of the crop is quite satisfactory and harvesting has begun from end-July 1998.

PROCESS PLANT & MARKETING

The Company exported 378 MT of shrimps during the year. A Blast Freezer was installed, enabling the Company to process fish. Accordingly, 214 MT of fish was exported to the Middle East. Your Company has an added advantage, as we hold a Green Card for Exports to the US and have successfully implemented the HACCP Plan. This gives the products of your Company a price advantage. The total exports of shrimp and fish in the current year is Rs. 22.18 crores compared to Rs.18.16 crores last year.

THE WATERBASE LIMITED

FEED MARKETING

The sales of feed was lower at 5155 MT as against 6512 MT in the last year due to the problems experienced by the Industry, which had a direct effect on our feed off take. The turnover is lower at Rs.18.36 crores against Rs. 23.58 crores of the last year. The Company has shown great emphasis on improving the feed marketing network, results of which have been more apparent in the first quarter of 1998-99. Our efforts to export feed continues.

HATCHERY

The production of seeds was 32 million against last year's 52 million. The fresh water shrimp hatchery has been performing satisfactorily.

FINANCE

The Company was able to increase its exports during the year, as a result of which low cost export credit was utilised to the optimum level. This has resulted in lower finance cost during the year which is Rs. 5.02 crores compared to Rs. 6.02 crores in the earlier year.

CURRENT SCENARIO

The Industry seems to have recovered from its past problems and we expect this to be a turning point. The financial year 1998-99 has commenced very favourably for your Company with increased Farming activity on the Andhra Pradesh coast. Your Company had geared itself to meet this challenge by strengthening its feed marketing, shrimp procurement and processing facilities. The sales of feed during the first quarter is 4800 MT compared to 5121 MT for the full year of 1997-98. The Company has turned around and has made a Net Profit in the first quarter.

The area under farming has been extended to about 65 hectares and the growth of shrimps have been quite satisfactory and good contributions are expected from the farm during the current year.

After a long absence, all the units of your Company are operative and we are confident that this will yield improved results for 1998-99.

For and on behalf of Board of Directors

New Delhi.
29th July 1998.

VIKRAM M. THAPAR
CHAIRMAN



ANNEXURE TO THE DIRECTORS' REPORT

I. CONSERVATION OF ENERGY

You Company has implemented a system for continuous review of energy costs, to reduce energy generation costs and optimise energy utilisation.

PARTICULARS IN FORM A:

A. Power and Fuel consumption:

(During the period of manufacture)

	Current Year	Previous Year
1. Electricity		
a) Purchased Units	26,98,435	20,90,433
Total Amount	Rs.95,03,331	Rs.73,87,971
Rate/Unit	Rs.3.52	Rs.3.53
b) Own Generation		
(i) Through Diesel generator Unit	1,32,280	4,73,019
Units/litre of Diesel	3.35	2.76
Cost/Unit	Rs.3.90	Rs.2.90
(ii) Through Steam Turbine/Generator	-NA-	-NA-
2. Coal (quality and where used)	-NA-	-NA-
3. Furnace oil		
Quantity (K.Lts)	94.702	79.250
Total Amount	Rs.6,20,029	Rs.4,66,050
Average rate	Rs.6,547.16	Rs.5,880.76
4. Others/Internal Generation	Nil	Nil

B. Consumption per unit of production

Electricity (Unit/MT)	8893.31	8121.74
Furnace Oil (Litres/MT)	117.89	102.51

The above consumption pattern is in respect of processed prawns.

II. Particulars as per Form B:

A. Research and Development (R&D)

Your Company, in consultation with International Laboratories and Nutritionists, has made significant improvements on Feed formulation.